High Court orders on VRS in Punjab

†3707. SHRI JANESHWAR MISHRA: .Will the Minister of FINANCE be pleased to state:

(a) whether Hon'ble High Court of Punjab and Haryana have declared the implementation of VRS in Nationalised Banks illegal and passed the order to reinstate the officials retired under VRS;

(b) if so, the details thereof;

(c) whether Government would reconsider its retirement schemes under VRS in other sectors also; and

(d) if so, the details thereof and the methods adopted for the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The Hon'ble Punjab and Haryana High Court *vide* Judgement dated 3.4.2002 in relation to the Voluntary Retirement Scheme (VRS) introduced by certain public sector banks has held as under :

(i) That Voluntary Retirement Schemes framed by the Banks is not a valid piece of subordinate legislation in as much as the provisions of Section 19 Sub-Clause (1) and Sub-Clause (4) of the Banking Companies (Acquisition and Transfer of Undertaking) Act have not been complied with and has, therefore, to be set aside.

(ii) Even if it is assumed for the sake of arguments that the scheme is validly framed, it would be open to an employee to withdraw his option before the same has been accepted and effectively enforced.

Jne of the public sector banks have filed a Special Leave Petition before the Hon'ble Supreme Court on 17.4.2002 against the aforesaid Judgement and the matter is *sub-judice.*

(c) and (d) Judgement of Hon'ble High Court refers to the VRS

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†Original notice of the question was received in Hindi.

introduced by the public sector banks and hence it docs not apply to the various schemes introduced for Government employees or other sectors. However, there is no proposal under consideration to withdraw the special VRS introduced by the Government to surplus employees in February, 2002 for Central Government employees.

Committee for detecting bank frauds

3708. PROF. M. SANKARALINGAM: Will the Minister of FINANCE be pleased to state:

(a) whether RBI has set up any Committee to detect bank frauds;

(b) if so, the details thereof;

(c) whether the Committee has submitted its reports; and

(d) if so, the details of the main recommendations of the Committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) In August, 2000 the Reserve Bank of India constituted an Expert Committee on Legal Aspects of Bank Frauds under the Chairmanship of Dr. N.L. Mitra, Vice-Chancellor, National Law University, Todhpur. The Committee had submitted its report to RBI on 31st August, 2001. The recommendations of the Committee consist of two parts - Part-I: dealing with In-house Preventive Measures and Part II: dealing with prohibitive aspects requiring legislative changes for implementation. The major recommendations of the Mitra Committee include development of best practice code, internal check and control, criminalisation of financial fraud, separate investigating authority for investigating serious financial fraud, special court for trying such offences and separate Act to deal with financial fraud.